



City of San Diego

CARL DEMAIO
CITY COUNCILMEMBER – DISTRICT 5

KEVIN L. FAULCONER
COUNCIL PRESIDENT PRO TEM – DISTRICT 2

MEMORANDUM

DATE: July 21, 2009

TO: Eduardo Luna, City Auditor
Members of the Audit Committee

FROM: Council President Pro Tem Kevin L. Faulconer
Councilmember Carl DeMaio

RE: Setting Goals for Performance Audits

In the FY 2010 the Audit Committee successfully advanced a proposal to expand the capacity of the City Auditor's Office to conduct Performance Audits of city departments. Performance Audits examine how well each city department is operating, and suggest ideas for improvement.

This year, with the oversight of the Audit Committee, the City Auditor has provided decision-makers with detailed performance audits of the operations of a variety of city functions – including Qualcomm Stadium and the Center City Development Corporation. As a result, officials are better informed about inefficiencies and areas where additional controls are needed.

As the city confronts its structural budget deficit and seeks to improve the quality of its services to taxpayers, it is our desire to see a performance audit conducted on every city department. While the limited capacity of the City Auditors will not allow for a review of the entire city government in one year, we propose that a goal be set to conduct performance audits on at least 50% of funds spent in the entire city's budget over the next three years.

To provide an effective measure of progress, the measurement of funds subject to performance audits should be added as a metric in the Annual Audit Work Plan.

We look forward to discussing this initiative with both the Office of the City Auditor and the Audit Committee in the near future.

cc: Honorable Mayor Sanders
Honorable Councilmembers
Andrea Tevlin, Independent Budget Analyst